

## Message Text

CONFIDENTIAL

PAGE 01 MANILA 03965 130457Z

ACTION EA-12

INFO OCT-01 ISO-00 CIAE-00 PM-05 H-01 INR-10 L-03

NSAE-00 NSC-05 PA-01 SP-02 SS-15 USIA-06 /061 W

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R 130350Z MAR 78

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 2805

INFO AMCONSUL HONG KONG

USLO PEKING

AMEMBASSY KUALA LUMPUR

AMEMBASSY TAIPEI

AMEMBASSY TOKYO

SECDEF WASHDC

CINCPAC

C O N F I D E N T I A L MANILA 3965

E.O. 11652: GDS

TAGS: PBOR, RP

SUBJECT: GOP OCCUPATION OF PANATA (BELIEVED TO BE NEAR LOAITA)  
IN SPRATLYS

1. ON MARCH 10, TWO DAYS BEFORE VISIT TO PHILIPPINES OF  
PRC VICE PREMIER LI HSIEN-NIEN, PHILIPPINE UNDERSECRETARY  
OF FOREIGN AFFAIRS INGLES REPORTEDLY INFORMED PRC  
AMBASSADOR TO PHILIPPINES, KE HUA, THAT THE MARCH 9  
AGENCE FRANCE PRESS STORY FROM PEKING ON PHILIPPINE  
MILITARY OCCUPATION OF PANATA ISLAND (BELIEVED TO BE NEAR  
LOAITA ISLAND IN THE SPRATLYS) WAS DISTORTED, IF NOT  
FALSE. ACCORDING TO PRESS ACCOUNTS, INGLES TOLD KE HUA  
THAT THE AGENCE FRANCE PRESS MISQUOTED PHILIPPINE UNDER-  
SECRETARY OF DEFENSE BARBERO "MAKING IT APPEAR THAT  
PANATA WAS RECENTLY OCCUPIED BY PHILIPPINE TROOPS". INGLES  
REPORTEDLY SAID THAT THE PHILIPPINES HAS OCCUPIED  
PANATA FOR SEVERAL YEARS. HE REPORTEDLY WENT ON TO  
QUESTION THE AGENCE FRANCE PRESS ASSERTION THAT THE  
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PAGE 02 MANILA 03965 130457Z

PRC CONDEMNED PHILIPPINE OCCUPATION OF PANATA WHEN "IN  
FACT ALL THE CHINESE FOREIGN OFFICE SAID WAS THAT THEIR  
POSITION STATED IN THE JUNE 14, 1976 COMMUNIQUE ON THE  
SUBJECT HAD NOT CHANGED." (THAT COMMUNIQUE REAFFIRMED  
PRC SOVEREIGNTY OVER THE PARACELS, THE SPRATLYS, PRATAS  
ISLAND AND MACCLESFIELD BANK). INGLES REPORTED  
CHARGED THAT THIS "DISTORTION" WAS INTENDED "TO PLACE

THE PHILIPPINES IN A BAD LIGHT IN THE EYES OF THE CHINESE GOVERNMENT." ACCORDING TO THE PRESS, "BOTH INGLES AND KE HUA LAMENTED THE INSIDIOUS ATTEMPT TO SOW DISCORD BETWEEN THEIR TWO COUNTRIES."

2. AFP CHIEF OF STAFF GENERAL ESPINO ISSUED A PRESS STATEMENT MARCH 10 INDICATING THAT "OUR FORCES HAVE BEEN IN ACTUAL OCCUPATION OF PANATA AND OTHER ISLANDS FOR MANY, MANY YEARS NOW." ESPINO FURTHER OBSERVED THAT "THERE ARE NOT ONLY TROOPS ON THESE ISLANDS BUT ALSO CIVILIANS WHO FISH IN THE SURROUNDING WATERS AND TILL THE LAND THERE."

3. MINISTER TANIGUCHI OF THE JAPANESE EMBASSY TELLS US HE SPOKE MARCH 9 TO PHILIPPINE DEFENSE UNDERSECRETARY BARBERO ABOUT THE REPORTED MARCH 2 GOP OCCUPATION OF PANATA AND BARBERO CONFIRMED IT HAD INDEED JUST TAKEN PLACE. BARBERO STRESSED THAT THE TIMING OF THE OCCUPATION HAD NOTHING TO DO WITH THE VISIT OF PRC VICE PREMIER LI HSIEN-NIEN. TANGUCHI BROUGHT TO OUR ATTENTION A YOMURI SHIMBU REPORT THAT THERE IS OIL AROUND PANATA AND "U.S. CAPITAL" IS INVOLVED IN THE GOP OCCUPATION. WE INFORMED TANIGUCHI THAT WE WERE NOT AWARE OF ANY SPECIFIC U.S. BUSINESS INTERESTS AROUND THE ISLAND IN QUESTION AND NOTED THAT IT WAS USG POLICY TO DISCOURAGE U.S. BUSINESS FROM INVOLVEMENT IN DISPUTED AREAS.  
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PAGE 03 MANILA 03965 130457Z

4. COMMENT. THE PHILIPPINE MARINES HAVE BEEN SLOWLY BUT STEADILY BUILDING UP THE GOP PRESENCE IN THE SPRATLY GROUP. THE SEVEN ISLANDS REPORTEDLY NOW OCCUPIED BY THE GOP IN THAT AREA (THE GOP TERM IS FREEDOMLAND) ARE THITU (PAGASA), NANSHAN (LAWAK), FLAT (PATOG), NORTHEAST CAY (PAROLA), LOAITA (KOTA), WEST YORK (LIKAS) AND PANATA (NEAR LOAITA). IT IS CONCEIVABLE THAT GOP FORCES HAVE LANDED BEFORE ON PANATA BUT THE ESTABLISHMENT THERE OF A SMALL MARINE FORCE WOULD SEEM TO BE RECENT. THERE IS A THEORY THAT THE GOP WISHED TO DO THIS AT A TIME WHEN HANOI IS PREOCCUPIED WITH CAMBODIA AND OTHER PROBLEMS AND ITS CAPABILITY FOR VOYAGE TO THE AREA IS SOMEWHAT CURTAILED BY THE NORTHEAST MONSOON. THE GOP HAD OBVIOUSLY NOT CALCULATED ON HAVING WHAT IT PROBABLY VIEWED AS A MODEST MOVE COME OUT IN THE NEWS JUST BEFORE THE VISIT OF THE PRC VICE PREMIER. WE SHALL BE WATCHING FOR INDICATIONS OF FURTHER DISCUSSION OF THE SUBJECT DURING THE VICE PREMIER'S VISIT.  
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## Message Attributes

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